

Single-Family House Price Trend 2000:Q1 to 2009:Q1

U.S. home prices posted a record decline in the fourth quarter of 2008 and continue to do so in the first quarter of 2009, according to the Federal Housing Finance Agency's (FHFA) House Price Index (HPI). House prices nationally posted a decline beginning in the third quarter 2007, after rising steadily since 2000. The national purchase-only HPI, calculated using home sales price information, show the past year seasonally-adjusted prices nationally fell 7.2 percent from the first quarter of 2008 to the first quarter of 2009. The all-transactions house price index which includes home sales and appraisals for refinance fell only 3.3 percent over the four-quarter period. Both indexes are based on data obtained from Fannie Mae and Freddie Mac, which form the nation's largest database of conventional, conforming mortgage transactions.

The HPI is a broad measure of the movement of single-family house prices and is designed to capture changes in their value. It is based on transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. Conforming refers to a mortgage that both meets the underwriting guidelines of Fannie Mae or Freddie Mac and does not exceed the conforming loan limit. Conventional mortgages are those that are

neither insured nor guaranteed by the FHA, VA, or other federal government entities. All other mortgages are excluded from the HPI.

District of Columbia Single-family House Prices

For the District of Columbia (DC), although only about 13 percent of its housing stock is single-family housing, the price trends are still reflective of the overall housing market. Like the rest of the country, DC has experienced a rapid rise in house prices beginning in 2000 and continuing through the second quarter of 2007. According to the purchase-only seasonally-adjusted HPI, current price appreciated for DC by 178 percent from 2000:Q1 to 2007:Q2, and the surrounding states of Maryland (133 percent) and Virginia (101 percent) showed significant appreciation, as did the rest of the country (62 percent) (See table 1 and figures 1 and 2).

HOUSE PRICE TREND 2000 *cont. on p. 2*

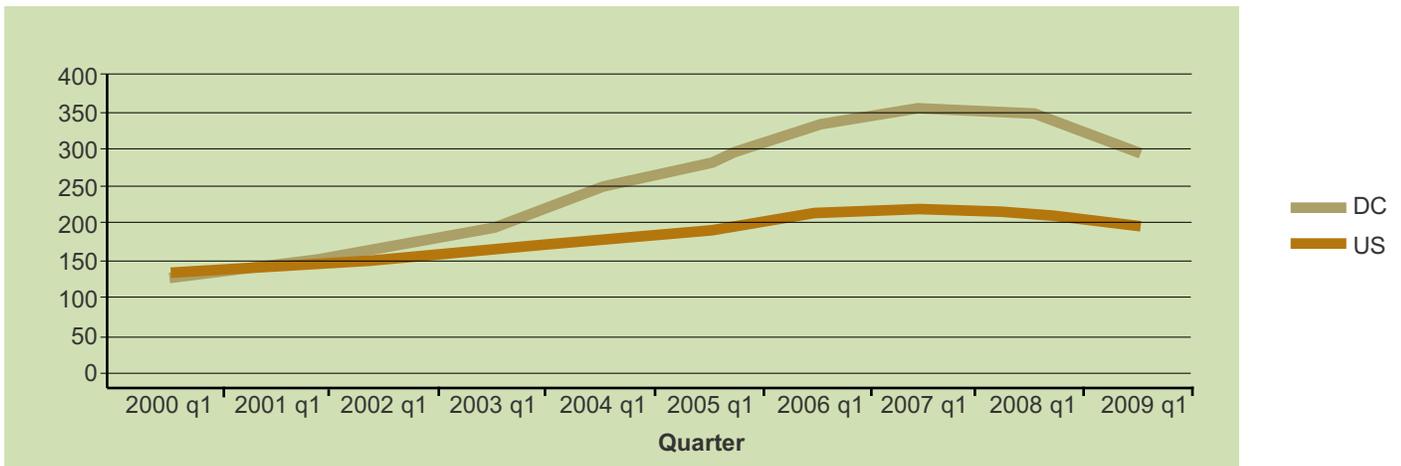
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Table 1- FHFA House Price Indexes (HPI): 2000 Q1 - 2009 Q1

Purchase-Only Seasonally Adjusted HPI (Home Sales Only) (1991 Q1 = 100)				All-Transactions HPI (Home Sales and Refinance Mortgages) (1980 Q1 = 100)			
Year	Quarter	US	DC	Year	Quarter	US	DC
2000	1	136.96	129.92	2000	1	228.76	242.3
2000	2	139.26	133.81	2000	2	232.46	251.97
2000	3	141.47	135.43	2000	3	236.79	259.37
2000	4	143.88	137.70	2000	4	240.55	264.42
2001	1	146.49	145.63	2001	1	246.75	275.77
2001	2	148.96	148.78	2001	2	250.87	286.58
2001	3	151.25	157.44	2001	3	254.8	299.58
2001	4	153.59	165.67	2001	4	258.04	308.81
2002	1	156.13	171.31	2002	1	261.81	318.63
2002	2	158.94	181.59	2002	2	266.24	329.98
2002	3	162.06	188.45	2002	3	271.73	344.42
2002	4	165.25	198.54	2002	4	275.73	355.02
2003	1	168.08	196.89	2003	1	279.11	362.11
2003	2	170.74	211.39	2003	2	282.41	368.76
2003	3	174.15	217.31	2003	3	286.83	380.35
2003	4	177.76	228.79	2003	4	295.97	402.16
2004	1	181.52	248.91	2004	1	299.97	416.33
2004	2	185.31	257.39	2004	2	307.32	436.75
2004	3	189.73	258.24	2004	3	318.85	468.9
2004	4	194.24	294.73	2004	4	326.17	494.55
2005	1	198.37	285.15	2005	1	333.9	512.79
2005	2	202.99	311.43	2005	2	344.28	543.38
2005	3	207.85	333.24	2005	3	354.76	574.65
2005	4	212.49	335.32	2005	4	363.1	604.87
2006	1	215.66	330.72	2006	1	369.54	616.4
2006	2	217.31	333.12	2006	2	373.02	625.09
2006	3	218.54	341.24	2006	3	376.48	630.91
2006	4	220.49	343.44	2006	4	381.78	641.93
2007	1	221.91	356.22	2007	1	384.2	649.72
2007	2	222.46	360.76	2007	2	384.53	650.03
2007	3	221.23	354.08	2007	3	381.89	654.21
2007	4	218.60	347.68	2007	4	383.15	646.39
2008	1	214.66	349.79	2008	1	382.84	637.82
2008	2	211.21	335.79	2008	2	376.47	626.52
2008	3	207.25	330.97	2008	3	367.93	613.76
2008	4	200.44	340.82	2008	4	368.47	612.13
2009	1	199.34	296.32	2009	1	370.02	608.87

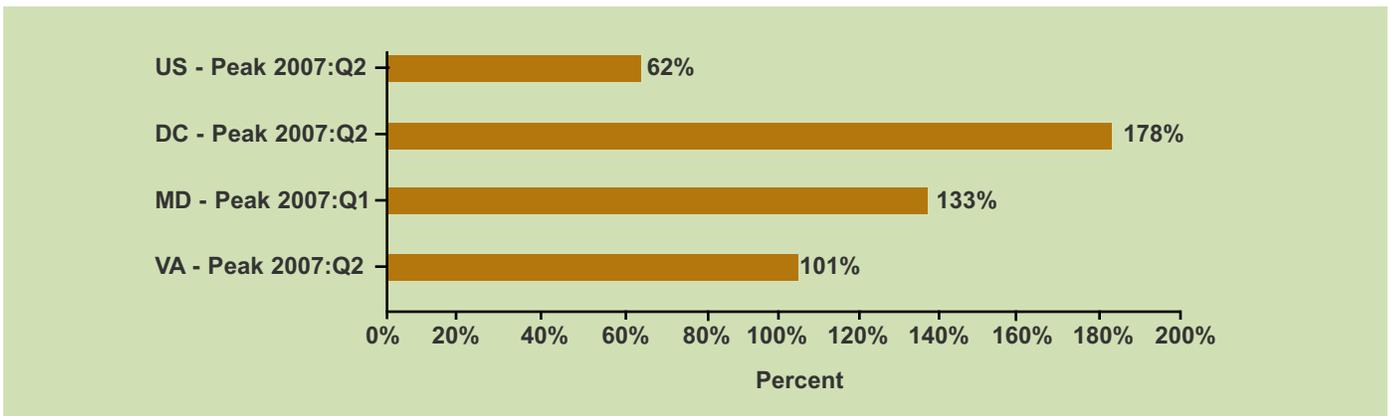
Source: Federal Housing Finance Agency, House Price Index (HPI).

Fig. 1 - Purchase-Only House Price Index First Quarter: 2000-2009 (1991Q1=100)



Source: Federal Housing Finance Agency, Housing Price Index (HPI)

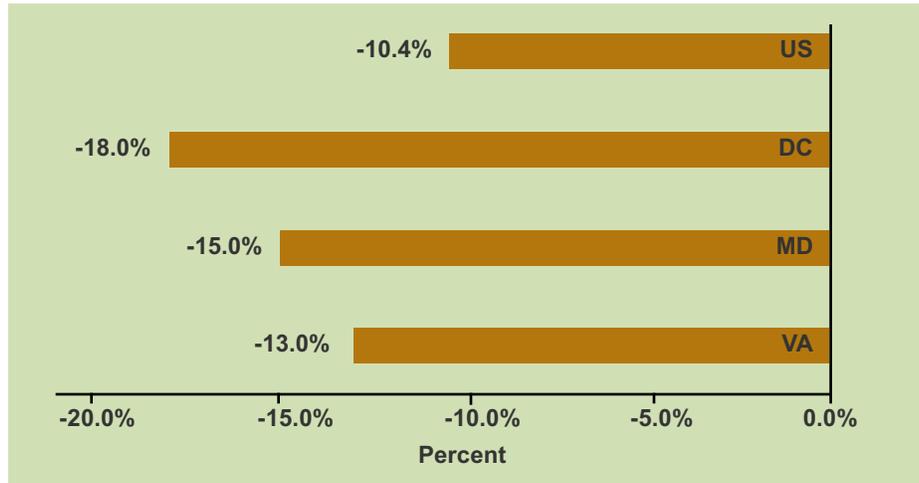
Fig. 2- Percent Change in Purchase-Only HPI for DC, MD, VA and US From 2000:Q1 to Peak Quarter



Source: Federal Housing Finance Agency, Housing price Index (HPI)

The purchase-only seasonally adjusted HPI for DC peaked in 2007:Q2 and generally declined thereafter. The purchase-only HPI fell 18 percent from the peak quarter to 2009:Q1 (See figure 3). In Maryland, the decline from peak to 2009:Q1 was -15.0 percent and in Virginia it was -13.0 percent. The overall U.S. rate was down -10.4 percent from 2007:Q2 to 2009:Q1.

Fig.3 - Percent Changes from Peak to 2009:Q1 for DC, D, VA and US (peak quarter varies)



Source: Federal Housing Finance Agency, House Price Index (HPI)

Table 2 shows house price appreciation for the top and bottom 10 states ranked by one-year appreciation. Also shown are the most recent quarter (2009:Q1) and the last five years (5-Yr.). DC showed a 2009:Q1 house price decline of -13.06 percent, a one-year decline of -15.28 percent, but a five-year increase of 19.05 percent. The state of Alaska was ranked number one and showed house price appreciation remaining positive for the three periods measured. The state of Nevada was ranked last and showed house price appreciation remaining negative for the three periods measured.

Table 2. Single-Family House Price Appreciation by Top Ten and Bottom Ten States
Percent Change in Housing Prices
Period Ended March 31, 2009
(Seasonally-Adjusted Purchase-Only HPI)

State	Rank*	1-Yr.	2009:Q1	5-Yr.
Alaska (AK)	1	4.79	2.96	33.22
Oklahoma (OK)	2	0.3	0.97	19.41
North Dakota (ND)	3	0.3	0.55	30.39
South Dakota (SD)	4	0.29	0.56	21.22
Kentucky (KY)	5	-0.54	0.14	11.08
Texas (TX)	6	-0.58	-0.51	19.94
Missouri (MO)	7	-0.67	0.77	9.68
North Carolina (NC)	8	-0.8	1.95	24.13
Kansas (KS)	9	-0.87	-0.04	12.13
Wisconsin (WI)	10	-0.91	1.65	11.42
US		-7.14	-0.55	9.82
Oregon (OR)	42	-7.76	-2.33	34.23
Georgia (GA)	43	-8.25	-0.51	2.92
Virginia (VA)	44	-8.58	-1.06	19.75
Utah (UT)	45	-9.25	-2.86	36.39
Maryland (MD)	46	-10.06	-0.81	21.99
District of Columbia (DC)	47	-15.28	-13.06	19.05
Arizona (AZ)	48	-19.51	-3.56	13.72
California (CA)	49	-22.12	-4.04	-16.57
Florida (FL)	50	-22.46	-3.87	-0.97
Nevada (NV)	51	-31.10	-10.56	-18.40

Source: Federal Housing Finance Agency, House Price Index (HPI)

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